

The Budget By Function

The following three tables show the appropriated (discretionary) funding in the conference agreement on the Republican budget resolution broken down by function.

The first table shows the conference agreement's discretionary totals for each function. These levels do not include a cut of \$59.2 billion in budget authority that would be needed to comply with the current caps on appropriations that were set by the Balanced Budget Act of 1997. See *Appropriated Programs* for more discussion.

The second table compares the discretionary levels in the conference agreement with those in the House Republican budget resolution. The Function 920 comparison is difficult to interpret because the House resolution reflected the 2000 supplemental appropriations bill in Function 920, but the conference agreement assumes a lower level for the supplemental appropriations bill and does not display it in Function 920. Rather, the conference agreement shows the supplemental funding where it is expected to occur, e.g. defense, international affairs, etc. The conference agreement includes a total of \$22.2 billion of unspecified cuts in Function 920, which is \$3.7 billion more than the House resolution included. See *Function 920: Allowances* for more discussion.

The final table compares the discretionary levels in the conference agreement with the levels needed to maintain purchasing power (the current services baseline) at the 2000 level. The only four functions that arguably maintain their purchasing power over five years (2001-2005) are defense, science, transportation, and education. However, there are two reasons to think that the full increases in science, transportation, and education cannot occur (assuming, for the moment, that the conference agreement is actually enforced). The first is that some of the "unspecified" cuts in Function 920 might end up falling in these three functions — they will have to fall somewhere. The second is that, in the science and education functions, the conference agreement provides very little outlay increase to go with the budget authority increase. But all budget authority that is actually appropriated ultimately is spent, i.e., is recorded as outlays. Over time, the only way to live within the conference agreement's outlay levels for science and for education is to appropriate lower levels of budget authority.

Detailed descriptions of each function follow the tables.